Keep

G.R.S. IX—5]

Previous references. 1923-24 (G. F.)

File No. 218 - 23

Serial Nos. 1

Later references.
Rm Def 137-24
C.F. 19.26.617
G F 7-39-68

Reserve
6.11.25

GENERAL AND REVENUE SECRETARIAT.

p. 16 (E)

Serial Nos. 1

Part B for May 1924

SUBJECT

Quarterly Report of Audit objections & Irregularities....

2C 1

To. The comptr.
- Secretaries to Govt
- Other Heads of Depts.
- Dy: Comptrollers.

(No: FL 6065-6124 Dt 2-5-24.

Directs the submission of a —— not in the course of audit of the accounts of all civil Depts.

NM
17/5

Q-2-218-23-

Dewan's order.-

The existing procedure according to which the Audit Department reports to Government the results of audit of transactions of all departments may be reviewed and how it can be improved, suggested.

On studying this question, I find that it will be more convenient to deal with the different departments in separate notes. The attached files deal with the procedure now obtaining in the case of the different departments in reporting the objections arising out of the audit of their transactions and the action taken by the several departments of Government when the objections are reported to them. Wherever the existing arrangement is not satisfactory, I have suggested how it might be improved. The opinions of the Comptroller and of the Administrative Departments of Government may be ascertained before final orders are passed.

Government order dated 6th October 1918 prescribed the following returns to be rendered by the Comptroller to Government in the Finance Department:-

(1) A quarterly report dealing with important irregularities discovered in the course of audit of the accounts of all departments and of Local Bodies.

(2) An annual statement showing the Treasuries, Divisions and Offices including the Municipal and District Fund Offices inspected with a brief account of the nature of serious irregularities brought to notice and the general condition of initial accounts.

(3) An annual confidential report noting the names of officers in charge of each office having cash or stores transactions, and remarks as to how initial registers and accounts are maintained.

Samples of those reports are put up. The quarterly statements of objections of all kinds and of all departments were voluminous and the orders passed on them show that no use was really made of the statements. The orders issued noticed an

only that the return was not completely or punctually sent and did not go into the details of the objections at all. I found that it was not possible for Government in the Finance Department to pass orders on the objections reported in these statements without consulting the respective departments of Government and I accordingly arranged to send extracts of the statements to them but as the extracts fetched no replies for long periods, even this procedure of dealing with these reports was not successful. Latterly, the returns are not being sent by the Comptroller.

The defect of the arrangement sanctioned in the order of 5th October 1918 consists in its requiring the Finance Department to deal with objections which can be satisfactorily dealt with only by the respective Administrative Departments of Government, which alone being in close touch with the operation of the executive departments concerned can appreciate the significance of the objections taken by the Comptroller and pass appropriate orders. Any arrangement which either makes two Departments/ the Finance & the Administrative Departments responsible for the remedying of objections or which detracts from the responsibility of the Administrative Departments cannot make for efficiency. The Finance Department can only keep a general watch xxxx over the financial orderliness of transactions of all departments and to enable it to perform this work, the Administrative Departments should consult it in matters of importance, and the Audit Department should specially bring such matters to its notice. Normally the work of remedying objections has to be attended to by the respective departments and reports of objections should be addressed to them.

The annual return in which a brief account of the serious irregularities and of the general condition of initial accounts are required to be reported is a document of vague statements about irregularities and initial records and no useful action

action can be taken on them If orders of Government should be passed on any matter, full facts about it should be placed before them. It will be seen from column 7 of this return that it is not possible to issue any useful instructions or pass any orders on the material contained in it.

As for the confidential report which is expected to show whether the work of administration, on the side of accounts, of offices inspected is satisfactory or not, it contains only one or two words like "satisfactory" or "satisfactory barring some irregularities" or "not satisfactory" and it gives no idea of the condition of accounts. The form prescribed by the Government order dated 5th October 1918 requires only brief notes regarding state of accounts to be given in a column of tabular statement and such notes cannot enable Government to pass any orders of value.

The whole arrangement prescribed in the Government order of the 5th October 1918 has not worked properly and calls for revision. How the procedure in respect of each department may be improved, I have suggested in the files placed below.

(Id) M.H.K.
28-2-1924.

Dewan)

I generally agree . I have passed orders on each file. I think a general order is necessary revising the ~~xxx~~ Government Order of 1918.

(Id) A.R.B.
1-3-1924.

4
3 2 90
— IX

G. R. S. III-2,

General and Revenue Secretariat.

Q 7 — File No. 218 of 1923

Serial No.

CIVIL DEPARTMENTS.

1 The expenditure of all the Civil Departments is subject to central audit in the Comptroller's Office and the initial accounts and books of a few offices of the Civil Departments undergo local inspection. The results of audit conducted in the Comptroller's Office are not, under the existing arrangement, reported to Government except in the annual Report of Audit and Appropriation. As I have stated in dealing with the Audit and Appropriation Report for 1922-23, irregularities noticed in it are too general in form and too belated in point of time to be usefully pursued. An elaborate quarterly report of objections relating to all departments including Public Works, Railways, and Local Boards was prescribed in the order of 5th October 1918 and this arrangement as stated in the general note has not worked well. With the introduction of the Reforms and the conferment of financial powers on the Legislative Council, it is necessary to give much attention to objections taken in audit, if adverse criticisms by the Public Accounts Committee and the Legislative Council are to be avoided as far as possible.

2 It is, therefore, desirable for Government to obtain from the Comptroller periodical reports of objections taken in audit and remaining unremedied

by

NOTE—Contn. sheet.

Serial No.

by officers concerned so that timely orders may be issued for their clearance. Irregularities requiring to be reported to Government or calling for their orders may broadly be brought under the following heads:-

(1) Those which come to the Comptroller's notice through the accounts submitted for audit or otherwise and which are of sufficient importance for immediate report to Government.

(2) Objections raised in the course of audit of vouchers and accounts conducted in the Comptroller's Office.

& (3) Those which arise out of local inspections.

3) As regards irregularities coming under item No.(1), they should form, as they now do, the subject of special reports then and there.

4) The objections coming under class (2) are taken month after month and the only satisfactory way of keeping a watch over them is by means of periodical reports. I have carefully considered at what intervals -- once in six months, or three month or two months -- these reports should be obtained. Belated reports serve no useful purpose and the object should be to satisfy the objections taken in audit, as far as possible, in the year to which they relate. In view of these considerations, I think it desirable to require these reports once in two month These reports may be prepared on the following lines:-

NOTE—Contn. sheet.

Serial No.

lines:-

(1) The report for each period of two months should be sent in the first week of the third month after the close of the period, e.g., the report for July and August should be sent in the first week of November; that for September and October in the first week of January and so on.

(2) These reports should be in two parts: Part I should deal with objections for which treasuries are responsible and Part II with those for which Heads of Departments are responsible. The objections relating to Treasuries should be noted in the order of dates and according to the District Treasuries to which they relate. The objections for which Heads of Departments are responsible should be classified according to the Departments. Both Parts should comprehend all objections taken in all branches of the Comptroller's Office on the Civil side which should be taken to include all Departments excluding only Public Works (Works audit), Electrical Department (Works audit), Railways, Industrial Concerns worked by the Department of Industries and Commerce, Sandal Oil Factories and Iron Works.

(3) Against each item classified under the prescribed heads of objections -- suspense, awaiting clearance, advances recoverable and service payment for

Serial No.

for recovery -- should be noted the reply obtained b the Comptroller in answer to the objection communicated to the officer concerned. On receipt of these periodical statements prepared as above, action may be taken by the Financial Department, if necessary i consultation with the Administrative Departments of Government.

5 The procedure proposed in the preceding para may be adopted in regard to objections taken ~~commenc~~ commencing with the accounts of July 1923. As regar outstanding objections on 30th June 1923, the Comptroller may be requested to submit a separate report indicating what orders by Government are necessary fo the quickest disposal of ~~the~~ old items.

6) In addition to the periodical reports to be obtained once in two months, an annual return of objections which continue to persist, may be required to be sent by the Comptroller as soon as the Preliminary Accounts for a year are closed.

7) In his Audit and Appropriation Report, the Comptroller notices a number of general irregularities relating to infringement of financial rules. When these irregularities are considered by t h e Public Accounts Committee, it will naturally require to know what action has been taken by the Executive Government. It is, therefore, necessary to prescribe

Serial No.

a procedure according to which points which the Comptroller proposes to take up in his annual Audit and Appropriation Report to the Legislature are promptly reported to Government, so that they may take such action as each case may call for and also that wherever possible, the action taken may also be noted in the Comptroller's annual report ~~before~~ when it is placed before the Legislature and its Committee of Public Accounts. With this object, the Comptroller may be required to report as soon as he notices a point ~~of~~ for mention in the annual Audit and Appropriation Report to Government in the Finance Department which will take the necessary action, if necessary in consultation with the Administrative Department of Government concerned.

8) As regards objections that arise out of local inspections of Treasuries and of Civil Offices subject to Outside Audit, the existing procedure provides for the Comptroller reporting to Government in the respective Departments of Government important points arising out of such inspections. This procedure may continue and the only improvement required is that the Departments of Government concerned may be required to deal with these points promptly and bring them to the notice of the Dewan, if they are of sufficient importance. If the dis-

posal

3210

G. R. S. III-2].

General and Revenue Secretariat. | G 7 — File No. 218 of 1923

Serial No.

disposal of any of these points involves important financial considerations, consultation with the Finance Department may be made obligatory.

Mull 28.2.24

(Denham)

Agree

Draft order may kindly be

put up accordingly

G

1.3

148/A 3/25/3/24

De Wain Order:- -

"Draft Order as above may be referred to the Comptr for favour of opinion".

Forwarded accordingly to the Comptr. with Compts -

Draft is placed below —

Mull 21.3.24

COMPTROLLER'S OFFICE Jas & BKs 24 MAR 1924 2.6327 BANGALORE

X-W-6-162-24

Ds 22/3/24.

148 J.B.49.A of 3.4.24.

The report required under the draft Government Order has to be compiled from the Objection Books of this office which are 49 in number.

I believe it is not the intention of Government that the report should include all the items in the Objection books, but that selection therefrom should be made of such items as in the opinion of the Comptroller should be brought to the notice

per post 25/3 4.20 pm

2.6 No 296 4.4.24

NOTE—Contn. sheet.

of

3240

[G. R. S. III-2]

General and Revenue Secretariat.

GF File No. 218 of 1923

Serial No.

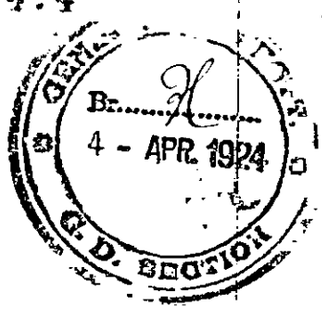
of Government on account of their gravity considered from the point of view of persistent infringement of rules, or disregard of the instructions issued by this office or the magnitude of the transactions involved. Otherwise it will entail enormous work on this office and it may not also serve the purpose with which it is required to be submitted to Government.

I would suggest that these reports may be submitted quarterly instead of once in two months as proposed in the draft order.

I shall arrange for the outstanding objections, especially the old items, being reviewed by the Sectional Officers and shall in due course obtain sanction of Government for removal from the Objection books of such of the items in respect of which I consider further enquiry or investigation unnecessary, or of no avail.

The first report to be submitted to Government may be for the quarter ending 31st March'24.

3147



Comptroller.

2B
3/4.
7/4/24

Note—Contn. sheet.

3240/D

11

7

G. R. S. 111-2]

General and Revenue Secretariat.

G 2 File No. 218 of 19 23

Serial No.

19 7574

Oc have incorporated in the draft the suggestions of the Complr and it may be approved.

Two of the decisions of the orders we issued regarding audit objects. One first related to Ry Dept and it was already been issued. The third is that Concerning P.W. and Elect Depts and it is under reg to P.W. Secy.

Draft

18/4/24.

Approved

19/4

Secy

7/4

Secy

25/4/24

29/4

NOTE—Contn. sheet.

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read.-

G.O.No. Fl.1928-7.7/G.F.101-18-1 dated 5th October 1918 requiring the Comptroller to submit to Government in the Finance Department a quarterly return of objections of various kinds in all departments and annual reports regarding the condition of initial accounts of offices inspected.

Order No. 26065-6124/G.F.219-23.1

Dated, Bangalore, the ~~28-5-1924~~ 2.5.24.

In supersession of the returns and reports required in the order read above, the procedure prescribed below will be adopted by the Comptroller in bringing to the notice of Government irregularities noticed in the course of audit by the ~~Comptroller's~~ his Office on the Civil side which will be taken to include all departments excludin only the Public Works (Works audit), the Electrical Department (Works Audit), Railways, Industrial Concerns worked by the Industries & Commerce Department, ~~and~~ Sandal Oil Factories and Iron Works.

2. Objections raised in the course of monthly audit of vouchers and accounts conducted in the Comptroller's Office which are not remedied by the officers concerned should be reported to Government in the Finance Department once in ~~two~~ three months. These reports should be submitted in the first week of the ~~third~~ fourth month after the close of the period to which they relate; e.g., the report for July ~~and~~ to Septr ~~August~~ should be sent in the first week

December the period from January
of ~~November~~; that for ~~September and~~
March June
~~October~~ in the first week of ~~January~~
and so on. These reports should be in
two parts: Part I should deal with
objections ~~w~~ for which treasuries are
responsible and Part II with those for
which Heads of Departments are responsi-
ble. The objections relating to treasuries
should be noted in the order of dates
and according to the District Treasuries
to which they relate. The objections
~~fxxxxx~~ for which Heads of Departments
are responsible should be classified
according to the departments. Both
parts should comprehend all objections
taken in all branches of the ~~Comptrol-~~
Audit
~~ler's~~ Office ~~on the Civil side which~~
~~should be taken to include all depart-~~
ments. Against each item classified
under the prescribed heads of objec-
tions -- suspense, awaiting clearance,
advances recoverable and service pay-
ments for recovery -- should be noted
the reply obtained by the Comptroller
in answer to the objection communicat-
ed to the officer concerned.

3. The system of reporting once ~~in~~ a
quarter
~~two months~~ unremedied objections of the
~~x~~ Civil Department should be brought
from January 1924
into force commencing ~~with the current~~
official year. 4.
31st Dec 1923
As regards objections
outstanding on ~~30th June 1923~~, the Comp-
troller is requested to submit a sepa-
rate report indicating what orders of
Government are necessary for the

(which are, the
figures of the completed
sufficient importance
for report ~~x~~ item on
account of persistent
infringement of rules
or of disregard of
instructions of the
Audit Office or of the
magnitude of the
transactions involved

quickest disposal of old items.

5. The annual return of objections which continue to persist should be submited by the Comptroller as soon as the preliminary accounts for a year are closed.

6. The Comptroller is also requested to report to Government in the Finance Department points which he proposes to mention in the annual Audit and Appropriation Report, as soon as he notices them.

7. As regards the report of objections arising out of local inspections of Treasuries and of Civil Offices subject to out-side audit, the existing procedure of submitting extracts of important points to Government in the respective Administrative Department will continue.

8. Important irregularities which come to the Comptroller's notice through the accounts submitted for audit or otherwise, relating to whatever departments should form the subject of special reports to be submitted to Government in the Finance Department and such reports should be sent up then and there.

Financial Secretary to Govt.

To

The Comptroller to Govt.
" Secretaries to Govt.
" Other Heads of Departments.
" Deputy Commissioners of Dists.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. Fl. 6065-6124—G. F. 218 23-1, dated 2nd May 1924.

Quarterly Report of Audit objections and Irregularities.

Directs the submission of a ——noticed in the course of audit of the accounts of all Civil Departments.

READ—

Government Order No. Fl. 1928-77—G. F. 101-18-1, dated 5th October 1918, requiring the Comptroller to submit to Government in the Finance Department a quarterly return of objections of various kinds in all departments and annual reports regarding the condition of initial accounts of offices inspected.

ORDER NO. FL. 6065-6124—G. F. 218-23-1, DATED 2ND MAY 1924.

In supersession of the returns and reports required in the order read above, the procedure prescribed below will be adopted by the Comptroller in bringing to the notice of Government irregularities noticed in the course of audit by his office on the Civil side which will be taken to include all departments excluding only the Public Works (Works audit), the Electrical Department (Works audit), Railways, Industrial Concerns worked by the Industries and Commerce Department, Sandal Oil Factories and Iron Works.

2. Objections raised in the course of monthly audit of vouchers and accounts conducted in the Comptroller's Office which are not remedied by the officers concerned should be reported to Government in the Finance Department once in three months. These reports should be submitted in the first week of the third month after the close of the period to which they relate, *e.g.*, the report for the quarter from July to September should be sent in the first week of December, that for the period from January to March in the first week of June and so on. These reports should be in two parts: Part I should deal with objections for which treasuries are responsible and Part II with those for which Heads of Departments are responsible. The objections relating to treasuries should be noted in the order of dates and according to the District Treasuries to which they relate. The objections for which Heads of Departments are responsible should be classified according to the departments. Both parts should comprehend all objections taken in all branches of the Audit Office which are, in the opinion of the Comptroller, of sufficient importance for report to Government on account of persistent infringement of rules, or of disregard of instructions of the Audit Office or of the magnitude of the transactions involved. Against each item classified under the prescribed heads of objections—suspense, awaiting clearance, advances recoverable and service payments for recovery—should be noted the reply obtained by the Comptroller in answer to the objection communicated to the officer concerned.

3. The system of reporting once a quarter unremedied objections of the Civil Department should be brought into force commencing from January 1924.

4. As regards objections outstanding on 31st December 1923 the Comptroller is requested to submit a separate report indicating what orders of Government are necessary for the quickest disposal of old items.

5. An annual return of objections which continue to persist should be submitted by the Comptroller as soon as the preliminary accounts for a year are closed.

No. FL. 6065-6124—G. F. 218-23-1, DATED 2ND MAY 1924.

6. The Comptroller is also requested to report to Government in the Finance Department points which he proposes to mention in the annual Audit and Appropriation Report, as soon as he notices them.

7. As regards the report of objections arising out of local inspections of Treasuries and of Civil Offices subject to outside audit, the existing procedure of submitting extracts of important points to Government in the respective Administrative Department will continue.

8. Important irregularities which come to the Comptroller's notice through the accounts submitted for audit or otherwise, relating to whatever department should form the subject of special reports, to be submitted to Government in the Finance Department and such reports should be sent up then and there.

M. N. KRISHNA RAO,
Financial Secretary to Government.

To—The Comptroller, Mysore Government.
The Secretaries to Government of Mysore.
The Other Heads of Departments.
The Deputy Commissioners of Districts.

EXD.—K. S.

W D 2137—GBP—415—13-5-24.